

Clearer Guidance Could Improve Award Data to More Effectively Measure Outcomes

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A report to congressional committees.

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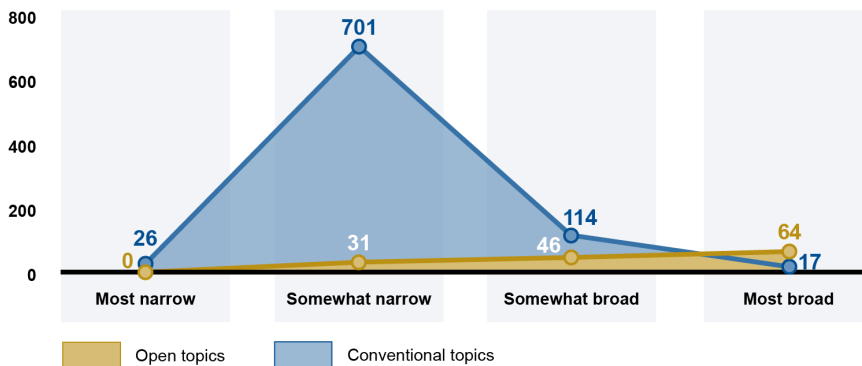
What GAO Found

In fiscal year (FY) 2023, about 50 percent of all Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) program awards were from open topics—totaling about \$2.2 billion—with the remaining awards from conventional topics. There are two types of topics: open or conventional. For solicitations that include open topics, agencies provide broad topics, and small businesses submit proposals that identify research needs and propose a solution. For solicitations that include conventional topics, agencies define research needs, and small businesses respond with proposed solutions. GAO found that open topic awards may promote competition, as these awards attracted more first-time applicants compared with conventional topics. Of the 11 agencies that participated in the SBIR and STTR programs in FY 2023, four exclusively issued open topic awards, four exclusively issued conventional topic awards, and the remaining three issued both types of awards.

The SBIR and STTR Extension Act of 2022 required the Small Business Administration (SBA), which oversees the programs, to collect and report data on open and conventional topics. However, GAO found that participating agencies categorized their open and conventional topics inconsistently in FY 2023. For example, more than one-third of solicitations released by three agencies with conventional topic labels were as broad as solicitations labeled open topics from other agencies.

Analysis of Open and Conventional Topics Across the 11 Small Business Innovation Research and Small Business Technology Transfer Agencies, Fiscal Year 2023

Number of awards



Source: GAO analysis of information from the 11 Small Business Innovation Research and Small Business Technology Transfer agencies. | GAO-25-107942

This inconsistency is due, in part, to current SBA guidance, which does not define open and conventional topics or clearly distinguish how they differ. Without clear and documented government-wide definitions, agencies may continue to interpret and label topic types differently, which limits the comparability of data across agencies and usefulness of SBA's data. This, in turn, may hinder SBA's ability to assess program performance and the outcomes associated with different topic types, as well as Congress's ability to effectively oversee the SBIR and STTR programs.

Why GAO Did This Study

To help drive economic growth, agencies provide SBIR and STTR awards to small businesses, which otherwise may encounter difficulty funding research and development. For these awards, agencies release solicitations that include open and conventional topics.

The SBIR and STTR Extension Act of 2022 includes provisions for GAO to review agencies' use of open topics. This report examines the extent to which agencies issued open topic awards in FY 2023 (the most recent data available at the time of GAO's review) and how agencies' FY 2023 topics compared in terms of specificity, among other objectives.

GAO analyzed data from 11 participating agencies and SBA for over 33,000 awards issued from FY 2019 through FY 2023—the most recent data available at the time of GAO's review. To compare topic specificity across participating agencies, GAO analyzed nearly 1,000 topics that the participating agencies released in their FY 2023 solicitations and assessed how specific each topic was. GAO also reviewed statutory requirements and interviewed agency officials and 22 randomly selected small businesses.

What GAO Recommends

GAO is making a recommendation to SBA to develop formal definitions for open and conventional topics and provide that guidance to participating agencies to encourage the consistent categorization of topic types in SBIR and STTR solicitations. SBA concurred with GAO's recommendation.